

CHAPTER NO. 38

HOUSE BILL NO. 1968

By Representative Bone

Substituted for: Senate Bill No. 1960

By Senator Rochelle

AN ACT to amend Chapter 330 of the Acts of 1901; and any other acts amendatory thereto, to authorize and empower the Tenth Special School District of Wilson County, Tennessee to issue and sell school bonds in a principal amount not to exceed six million five hundred thousand dollars (\$6,500,000.00); to provide for the form and terms of said bonds; to provide for the issuance, sale and payment of said bonds and the use and disposition of proceeds from the sale thereof; and to provide for the pledge, levy and collection of taxes to pay principal of, premium, if any, and interest on said bonds.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. The Tenth Special School District of Wilson County, Tennessee (the "district"), created by Chapter 330 of the Acts of 1901, as amended by Chapter 476 of the Private Acts of 1923, Chapter 188 of the Private Acts of 1925, Chapter 321 of the Private Acts of 1927, Chapter 43 of the Private Acts of the First Extraordinary Session of 1935, Chapter 734 of the Private Acts of 1937, Chapter 99 of the Private Acts of 1943, Chapter 923 of the Private Acts of 1949, Chapter 59 of the Private Acts of 1951, Chapter 32 of the Private Acts of 1959, Chapter 263 of the Private Acts of 1961, Chapter 99 of the Private Acts of 1963, Chapter 212 of the Private Acts of 1970, Chapter 247 of the Private Acts of 1972, Chapter 119 of the Private Acts of 1983, Chapter 120 of the Private Acts of 1983, Chapter 157 of the Private Acts of 1986, Chapter 88 of the Private Acts of 1987, Chapter 134 of the Private Acts of 1988, Chapter 7 of the Private Acts of 1993, Chapter 91 of the Private Acts of 1993, Chapter 197 of the Private Acts of 1994, Chapter 43 of the Private Acts of 1995, Chapter 123 of the Private Acts of 1996, Chapter 15 of the Private Acts of 1997, and all other acts amendatory thereto, if any, (the "act of incorporation") is hereby authorized and empowered to issue and sell bonds (the "bonds") in the aggregate principal amount of not to exceed six million five hundred thousand dollars (\$6,500,000) for the purpose of providing funds for the construction, improvement, renovation, expansion, furnishing, fixturing and equipping of school buildings and facilities, and additions thereto, in and for the district, including the purchase of all property, real and personal, or interests therein, necessary in connection with such work, or any of the foregoing, the purchase of school buses and school transportation equipment in connection with the operation of the schools of the district, for the funding of all accounts and funds necessary and proper in connection with the issuance and sale of the bonds as the Board of Commissioners of the district shall determine, and for the payment of all legal, fiscal, administrative, architectural, engineering, accounting and similar professional and other costs incident to the foregoing and to the issuance and sale of the bonds.

SECTION 2. The bonds may be sold in one (1) or more series, may bear such date or dates, shall mature at such time or times, not exceeding twenty (20) years from their respective dated dates, may bear interest at a zero (0) rate or at such other rate or rates (which may vary from time to time), may be payable at such time or times, may be in such denominations, may carry such registration and conversion privileges, may be executed in such manner, may be payable in such medium of payment at such place or places, may be subject to such terms of redemption, with or without premium, and may

provide for the replacement of mutilated, destroyed or lost bonds, all as may be provided by resolution of the Board of Commissioners of the district. The bonds shall be sold as a whole or in part from time to time in such manner as shall be provided by resolution of the Board of Commissioners of the district, but in no event shall the bonds be sold for less than ninety-seven percent (97%) of par plus accrued interest (or, if all or any part of such bonds is to be sold at a zero (0) rate of interest or at an original issue discount, such bonds may be sold at not less than ninety-seven percent (97%) of the original reoffering price of such bonds, plus accrued interest). The Board of Commissioners of the district is authorized and empowered to do and perform all acts and enter into all agreements which may be necessary or desirable in connection with the issuance and sale of the bonds and delegate the power to consummate all such acts and execute and implement all such agreements on its behalf as the Board of Commissioners shall deem necessary or desirable.

SECTION 3. The bonds shall be issued in fully registered form and shall be signed and sealed as provided in the Tennessee Public Obligations Registration Act and in the resolution of the Board of Commissioners of the district authorizing the bonds.

SECTION 4. So long as any of the bonds authorized herein shall remain outstanding and unpaid, the tax levied by authority of Chapter 59 of the Private Acts of 1951 of the State of Tennessee, as amended, shall continue to be levied at the rates set forth in Section 4 thereof to be used to pay principal of and premium and interest on the bonds and any other indebtedness of the district as they come due. The Board of Commissioners is hereby authorized to pledge such taxes as necessary to pay said principal, premium and interest. The taxes shall be annually extended and collected by the County Trustee of Wilson County, Tennessee in the manner provided by general law for the extension and collection of county taxes and shall constitute a lien on the property against which they are levied with the like force and effect as do county taxes. The proceeds of the taxes so pledged, when collected, shall be placed in a special fund and shall be used solely for the purpose of paying principal of and premium, if any, and interest on the bonds and other indebtedness lawfully incurred or assumed by the district and, to the extent not needed for such purpose or required to be maintained therein by applicable law, for the purpose of building new school buildings, adding to, repairing, improving, enlarging and equipping school buildings and properties of the district as the Board of Commissioners of the district shall deem necessary and proper, including the purchase of property, real or personal, or interests therein, necessary in connection therewith and the purchase of school buses and school transportation equipment in connection with the operation of the schools of the district.

SECTION 5. The district is authorized by resolution of the Board of Commissioners of the district to pledge to the payment of the bonds all or a portion of its share of the Local Option Sales and Use Tax now or hereafter levied and collected in Wilson County, Tennessee, pursuant to Section 67-6-712, Tennessee Code Annotated, and all or a portion of any funds received by the district under the Tennessee Basic Education Program available to be used for capital outlay expenditures, as set forth in Section 49-3-351 et seq., Tennessee Code Annotated, and related sections. To the extent of such pledge, these funds when so received shall be deposited to the special fund hereinabove described and used for the purposes hereinabove set forth. The pledge of taxes authorized by Section 4 hereof may be reduced to the extent of funds pledged pursuant to this section.

SECTION 6. The bonds, and all income therefrom, shall be exempt from all state, county and municipal taxation in the State of Tennessee, except inheritance, transfer and estate taxes and except as otherwise provided by applicable law.

SECTION 7. The district is further authorized, by resolution of the Board of Commissioners, to borrow money and issue its bonds, in accordance with the terms hereof, for the purpose of refunding the bonds authorized herein, at or prior to maturity, in whole or in part, at any time.

SECTION 8. The district is further authorized, by resolution of the Board of Commissioners, to issue and sell notes of the district in anticipation of the issuance of the bonds authorized herein. The notes may be sold in one (1) or more series, may bear such date or dates, shall mature at such time or times, not exceeding three (3) years from their respective dated dates, may bear interest at such rate or rates (which may vary from time to time), may be payable at such time or times, may be in such denominations, may carry such registration and conversion privileges, may be executed in such manner, may be payable in such medium of payment at such place or places, may be subject to such terms of redemption, with or without premium, and may provide for the replacement of mutilated, destroyed or lost notes, all as may be provided by resolution of the Board of Commissioners. The notes shall be sold as a whole or in part from time to time in such manner as shall be provided by resolution of the Board of Commissioners. The Board of Commissioners of the district is authorized and empowered to do and perform all acts and enter into all agreements which may be necessary or desirable in connection with the issuance and sale of the notes and delegate the power to consummate all such acts and execute and implement all such agreements on its behalf as the Board of Commissioners shall deem necessary or desirable.

SECTION 9. If any provision of this act or the application thereof shall be held by any court of competent jurisdiction to be invalid or unenforceable to any extent, the remaining provisions of this act and the application thereof shall not be affected thereby, shall be enforced to the greatest extent permitted by law, and are hereby declared to be severable.

SECTION 10. This act shall take effect upon becoming a law, the public welfare requiring it.

PASSED: May 17, 1999


JIMMY RAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES


JOHN S. WILDER
SPEAKER OF THE SENATE

APPROVED this 26th day of May 1999


DON SUNDQUIST, GOVERNOR